

Precautions for Clients Dealing in Options

- **Understand the Risks:** Options trading is speculative and can lead to significant losses. Be aware of market volatility, time decay and liquidity risks.
- **Gain Knowledge and Experience:** Ensure you understand options pricing, strategies, and market conditions before trading. Simulated trading can help build experience.
- **Financial Preparedness:** Assess your financial situation and risk tolerance. Only invest capital you can afford to lose.
- **Margin Awareness:** Trading on margin can lead to forced liquidation if requirements are not met.
- **Regulatory Compliance:** Follow exchange rules and understand your rights and obligations in option contracts.
- **Strategy & Risk Management:** Use well-defined strategies, stop-loss measures, and protective positions to manage risk.
- **Avoid Common Pitfalls:**
 - Never share trading credentials – login ID & passwords, including OTPs.
 - Avoid leveraged products without proper understanding.
 - Avoid trading based on unsolicited tips from social media or unregistered advisors.
 - Stay away from speculative strategies based on market rumours.
- **Technology Risks:** Use reliable trading platforms to avoid execution delays and system failures.

Options trading requires careful planning and disciplined risk management. Seek professional advice if needed.